

Office of the
Legislative Fiscal Analyst

FY 2004 Budget Recommendations

Joint Appropriations Subcommittee for
Transportation, Environmental Quality, and National Guard

Utah National Guard

Contents:

- 1.0 Summary
- 2.0 Issues
- 3.0 Programs
- 4.0 Additional Information

1.0 Utah National Guard

Summary

The Utah National Guard, a state-administered military force, fulfills a dual state-federal mission. The Utah Army and Air National Guard serve both state and federal governments by providing organized, trained, and equipped air and ground units to perform state missions, as directed by the Governor, while supporting the Army mobilization programs of the federal government. The primary purpose of the Utah National Guard is to act as a backup for the active military forces, as a state force to quell civil disturbances, and to provide public assistance during natural disasters.

The Analyst FY 2004 Base budget recommendation includes the Revised Estimate for FY 2003 as approved by the Legislature and the following items

- ▶ Adjustment for FY 2003 one-time programs;
- ▶ Net changes for Internal Service Fund rates; and
- ▶ Annualized costs of across the board reductions.

	Analyst FY 2004 Base	Analyst FY 2004 Changes	Analyst FY 2004 Total
Financing			
General Fund	3,810,700	(7,100)	3,803,600
Federal Funds	19,588,400		19,588,400
Dedicated Credits Revenue	1,822,900		1,822,900
Transfers	202,700		202,700
Total	\$25,424,700	(\$7,100)	\$25,417,600
Programs			
Administration	500,100		500,100
Armory Maintenance	21,256,800	(7,100)	21,249,700
Veterans' Affairs	179,900		179,900
Veterans' Cemetery	244,300		244,300
Veterans Nursing Home	3,243,600		3,243,600
Total	\$25,424,700	(\$7,100)	\$25,417,600
FTE/Other			
Total FTE	129		129

2.0 Budget Highlights: Utah National Guard

2.1 Reorganization of Veteran Programs

Three years ago House Bill 140, Reorganization of Veteran Related Programs, was enacted. The legislation transferred the responsibility for three veteran related entities on a staggered schedule over three years to the National Guard. The Division of Veterans' Affairs in FY 2001, the Veterans Cemetery in FY 2002, and the Veterans' Nursing Home in FY 2003. These transfers were completed July 1, 2002.

3.1 Programs: Utah National Guard - Administration

Recommendation

The Analyst recommends \$500,100 for the budget of the National Guard Administration for FY 2004. This appropriation is to fund salaries and benefits of 8 FTE positions at a cost of \$494,200.

Travel is recommended at \$3,100 to cover the State portion of out-of-state travel for the administration program. Current expense is recommended at \$2,800.

Any other expenditures necessary in this program are covered with federal funds for federal programs and do not show as part of the appropriation in the State budget.

	2002 Actual	2003 Estimated	2004 Analyst	Est/Analyst Difference
Financing				
General Fund	522,900	494,000	500,100	6,100
Transfers - Intergovernmental	(19,300)			
Total	<u>\$503,600</u>	<u>\$494,000</u>	<u>\$500,100</u>	<u>\$6,100</u>
Expenditures				
Personal Services	497,700	488,100	494,200	6,100
Out of State Travel	3,100	3,100	3,100	
Current Expense	2,800	2,800	2,800	
Total	<u>\$503,600</u>	<u>\$494,000</u>	<u>\$500,100</u>	<u>\$6,100</u>
FTE/Other				
Total FTE	8	8	8	8

*General and school funds as revised by Supplemental Bills I-V, 2002 General and Special Sessions. Other funds as estimated by agency

Purpose

Although the primary mission of the Guard is federally oriented, the Constitution provides for control of these units at the State level. Even so, in the overall program, 98 percent of all Guard expenditures are from federal funds, and the remaining two percent is from the State.

The Adjutant General is the Military Chief of Staff to the Governor, and is responsible for directing the affairs of the Army and Air National Guard in conformance with State statutes and federal regulations. Because of the statewide location of Army Guard units possessing special equipment, they are available for state missions for civil defense, natural disaster, civil disturbance, and large-scale emergency situations at the call of the Governor.

The doctors, nurses, and trained medical technicians of the Utah Army and Air National Guard provide invaluable emergency backup capabilities for natural and accidental disasters of large proportions.

The Administration Division of the National Guard is the coordinating arm between state and federal programs. The state funded portion of the administrative staff has eight full-time equivalents. Those employees are located at the administration building in Draper.

The National Guard with their involvement in the War Against Terrorism finds their troops at an almost fifty percent call up.

3.2 Programs: Armory Maintenance

Recommendation The Legislative Analyst's Armory Maintenance budget recommendation is \$21,249,700, funded from four sources - the General Fund at \$2,946,800, Federal Funds at \$18,080,200, Transfers at \$202,700 and Dedicated Credits at \$20,000. The Dedicated Credits are realized when armory facilities are rented out for functions of schools, local citizen groups, etc.

Many of the armory maintenance personnel are part-time employees. There are more than 161 individuals at various points throughout the state. Their combined hours represent 123 FTEs. Personal services for maintenance personnel are funded at FY 2003 salary and benefit levels at a total cost of \$10,048,100.

Travel is recommended at \$117,900, with the major portion for out of state travel. Current expense is recommended at \$7,360,900, with the major expenditures going to fund communication services, building and grounds, operations and maintenance, utilities, and risk management insurance. The data processing budget is recommended at \$314,600. A capital outlay recommendation of \$3,381,800 will be used for equipment replacement in armories throughout the state.

	2002 Actual	2003 Estimated	2004 Analyst	Est/Analyst Difference
Financing				
General Fund	3,264,400	2,953,200	2,946,800	(6,400)
General Fund, One-time		150,000		(150,000)
Federal Funds	16,762,600	18,067,400	18,080,200	12,800
Dedicated Credits Revenue	6,000	40,000	20,000	(20,000)
Transfers	312,000	202,700	202,700	
Beginning Nonlapsing		4,500		(4,500)
Closing Nonlapsing	(4,500)			
Total	\$20,340,500	\$21,417,800	\$21,249,700	(\$168,100)
Expenditures				
Personal Services	8,851,800	10,031,400	10,048,100	16,700
In-State Travel	33,500	33,500	33,500	
Out of State Travel	117,900	117,900	117,900	
Current Expense	7,625,900	7,538,600	7,360,900	(177,700)
DP Current Expense	329,600	314,600	307,500	(7,100)
Capital Outlay	3,381,800	3,381,800	3,381,800	
Total	\$20,340,500	\$21,417,800	\$21,249,700	(\$168,100)
FTE/Other				
Total FTE	123	123	123	

*General and school funds as revised by Supplemental Bills I-V, 2002 General and Special Sessions. Other funds as estimated by agency

Purpose

The National Guard facilities within the State are quite extensive. Army National Guard facilities are located in 28 communities throughout Utah. These include armories, maintenance shops, a warehouse, and 245 buildings located at Camp Williams. The Utah Air National Guard installation at the Salt Lake International Airport includes 54 buildings located on 82 acres of land.

The Administration Building in Draper has given the National Guard a first class facility at a reasonable cost to the taxpayers of Utah. Most of the maintenance and remodeling at this facility is completed with federal funding with much of the actual work completed by various units within the ranks of the Guard itself.

The Legislature has provided matching funds for new armory facilities in such places as Spanish Fork, St. George, Blanding, West Jordan, and Orem. These facilities upgrade pre-World War II armories as well as add new modern facilities to house expanded functions of the Utah National Guard.

3.3 Programs: Veterans' Affairs

Veterans' Affairs

Three years ago House Bill 140, Reorganization of Veteran Related Programs, was enacted. The legislation transfers the responsibility for three veteran related entities on a staggered schedule over three years. The Division of Veterans' Affairs in FY 2001, the Veterans Cemetery in FY 2002, and the Veterans' Nursing Home in FY 2003. This recommendation includes the Veterans' Affairs Program. The Analyst is recommending a FY 2004 budget for the Veterans' Affairs Program of \$179,900.

	2002 Actual	2003 Estimated	2004 Analyst	Est/Analyst Difference
Financing				
General Fund	165,200	165,400	163,400	(2,000)
Dedicated Credits Revenue	16,500	14,500	16,500	2,000
Transfers - Intergovernmental	18,700			
Beginning Nonlapsing	22,300	12,500		(12,500)
Closing Nonlapsing	(12,500)			
Total	<u>\$210,200</u>	<u>\$192,400</u>	<u>\$179,900</u>	<u>(\$12,500)</u>
Expenditures				
Personal Services	107,800	99,400	64,000	(35,400)
In-State Travel	1,800	1,800	1,800	
Out of State Travel	1,400	1,400	1,400	
Current Expense	14,400	8,300	12,600	4,300
DP Current Expense	2,500	400	2,500	2,100
Capital Outlay	2,300	1,100	1,100	
Other Charges/Pass Thru	80,000	80,000	96,500	16,500
Total	<u>\$210,200</u>	<u>\$192,400</u>	<u>\$179,900</u>	<u>(\$12,500)</u>
FTE/Other				
Total FTE	2	2	1	(1)

*General and school funds as revised by Supplemental Bills I-V, 2002 General and Special Sessions. Other funds as estimated by agency

Mission

This program helps veterans with counseling on benefits and claims, reviews veterans hiring preference programs. And coordinates with local and federal veterans programs.

3.4 Programs: Veterans' Cemetery

Recommendation The Analyst is recommending an appropriation of \$244,300 for the Veterans' Cemetery for FY 2004.

	2002 Actual	2003 Estimated	2004 Analyst	Est/Analyst Difference
Financing				
General Fund	355,900	198,100	193,300	(4,800)
Federal Funds		25,000	30,000	5,000
Dedicated Credits Revenue	42,800	19,900	21,000	1,100
Beginning Nonlapsing		27,400		(27,400)
Closing Nonlapsing	(27,400)			
Total	\$371,300	\$270,400	\$244,300	(\$26,100)
Expenditures				
Personal Services	179,100	176,200	176,900	700
Current Expense	156,700	85,600	66,400	(19,200)
Capital Outlay	8,600	8,600	1,000	(7,600)
Operating Transfers	26,900			
Total	\$371,300	\$270,400	\$244,300	(\$26,100)
FTE/Other				
Total FTE	5	5	5	
*General and school funds as revised by Supplemental Bills I-V, 2002 General and Special Sessions. Other funds as estimated by agency				

Purpose

The Veterans' Cemetery was established to allow veterans and their spouses a local burial option in a military cemetery.

3.5 Programs: Veterans' Nursing Home

Recommendation

During the 2000 General Session House Bill 140, Reorganization of Veteran Related Programs, was enacted. The legislation transferred the responsibility for three veteran related entities on a staggered schedule over three years. The Division of Veterans' Affairs in FY 2001, the Veterans Cemetery in FY 2002, and the Veterans' Nursing Home in FY 2003. The transfer of the Veterans' Nursing Home was completed July 1, 2002.

The Analyst is recommending a FY 2004 appropriation of \$3,243,600 for the Veterans' Nursing Home.

The Legislature appropriated a one time General Fund expenditure of \$132,600 in the FY 2003 to provide \$92,000 for personnel and \$40,600 for data processing equipment to help facilitate the transfer of the Veterans' Nursing Home from the Health Department. Because of the revenue constraints for FY 2004 the Analyst is not recommending ongoing funding for the personnel at this time. If funding becomes available consideration could be given to cover part of this increase along with increased rates to residents.

	2002 Actual	2003 Estimated	2004 Analyst	Est/Analyst Difference
Financing				
General Fund, One-time	30,000	132,600		(132,600)
Federal Funds	1,306,500	1,478,200	1,478,200	
Dedicated Credits Revenue	1,765,400	1,765,400	1,765,400	
Closing Nonlapsing	(18,700)			
Total	<u>\$3,083,200</u>	<u>\$3,376,200</u>	<u>\$3,243,600</u>	<u>(\$132,600)</u>
Expenditures				
Personal Services	11,200	89,600		(89,600)
In-State Travel	100	400		(400)
Current Expense		2,000		(2,000)
DP Current Expense		20,000		(20,000)
Other Charges/Pass Thru	3,071,900	3,264,200	3,243,600	(20,600)
Total	<u>\$3,083,200</u>	<u>\$3,376,200</u>	<u>\$3,243,600</u>	<u>(\$132,600)</u>
FTE/Other				
Total FTE	1	1		(1)

*General and school funds as revised by Supplemental Bills I-V, 2002 General and Special Sessions. Other funds as estimated by agency

Purpose

The Utah State Veterans' Nursing Home is an 81-bed, long-term care facility that provides both skilled and intermediate levels of care to Utah's veterans and eligible spouses who are residents of Utah.

In 1996, the Legislature approved a one-time appropriation of \$500,000 for initial operating costs of the nursing home. In addition, the Legislature appropriated \$1.8 million as the state's share of the construction costs for the Veteran's Nursing Home. These funds qualified for federal matching funds from the United States Department of Veteran Affairs in the amount of \$3.6 million. Additional funds were collected from various sources, including contributions from veterans' organizations that also qualified for federal matching funds, making the total available for the project of approximately \$6.5 million.

Construction began in late 1996 and was completed in May of 1998. On May 27, 1988, the nursing home began admitting patients and quickly reached a census of 80 patients.

The Veterans' Nursing Home has been under the direction of the Department of Health since its opening. The Department has contracted with Traditions Health Care for the day-to-day operations of the home.

4.0 Additional Information: Utah National Guard

4.1 Funding History

	2000	2001	2002	2003	2004
Financing	Actual	Actual	Actual	Estimated*	Analyst
General Fund	3,475,300	3,932,100	4,308,400	3,810,700	3,803,600
General Fund, One-time			30,000	282,600	
Federal Funds	12,164,200	14,267,800	18,069,100	19,570,600	19,588,400
Dedicated Credits Revenue	306,300	32,700	1,830,700	1,839,800	1,822,900
Transfers	247,600	56,300	312,000	202,700	202,700
Transfers - Intergovernmental	3,500	8,000	(600)		
Beginning Nonlapsing	98,900	41,400	22,300	44,400	
Closing Nonlapsing	(16,800)	(22,300)	(63,100)		
Total	\$16,279,000	\$18,316,000	\$24,508,800	\$25,750,800	\$25,417,600
Programs					
Administration	500,500	525,300	503,600	494,000	500,100
Armory Maintenance	15,778,500	17,608,100	20,340,500	21,417,800	21,249,700
Veterans' Affairs		182,600	210,200	192,400	179,900
Veterans' Cemetery			371,300	270,400	244,300
Veterans Nursing Home			3,083,200	3,376,200	3,243,600
Total	\$16,279,000	\$18,316,000	\$24,508,800	\$25,750,800	\$25,417,600
Expenditures					
Personal Services	7,568,600	8,778,000	9,647,600	10,884,700	10,783,200
In-State Travel	19,600	20,100	35,400	35,700	35,300
Out of State Travel	160,200	122,600	122,400	122,400	122,400
Current Expense	5,938,600	7,614,900	7,799,800	7,637,300	7,442,700
DP Current Expense	50,900	104,900	332,100	335,000	310,000
Capital Outlay	2,541,100	1,606,300	3,392,700	3,391,500	3,383,900
Other Charges/Pass Thru		69,200	3,151,900	3,344,200	3,340,100
Operating Transfers			26,900		
Total	\$16,279,000	\$18,316,000	\$24,508,800	\$25,750,800	\$25,417,600
FTE/Other					
Total FTE	131	133	139	139	137

*General and school funds as revised by Supplemental Bills I-V, 2002 General and Special Sessions. Other funds as estimated by agency.

4.2 Federal Funds

FEDERAL FUNDS:		FY 2002	FY 2003	FY 2004
Program				Analyst
Armory Maintenance				
Environmental Management	Federal State	\$1,655,600	\$1,647,800	\$1,649,000
Armory Maintenance	Federal State	\$589,600	\$503,800	\$503,800
		\$332,900	\$242,100	\$242,100
Armory Maintenance Personnel	Federal State	\$113,000	\$121,800	\$121,900
		\$56,400	\$51,200	\$51,700
Surface Gasoline for Fleet	Federal State	\$154,800	\$154,800	\$154,800
Rent and Utilities	Federal State	\$184,700	\$184,700	\$184,700
Construction Projects Over \$500,000	Federal State	\$33,100	\$33,100	\$33,100
Camp Williams Facility Projects	Federal State	\$2,464,300	\$2,464,300	\$2,464,300
Facility Improvement Projects	Federal State	\$1,215,000	\$1,215,000	\$1,215,000
Armory Security and Equipment	Federal State	\$227,000	\$400,000	\$400,000
Armory Utilities	Federal State	\$220,400	\$220,400	\$220,400
		\$371,000	\$372,100	\$372,100
Equipment for Distance Learning Center	Federal State	\$306,000	\$318,700	\$318,700
Federal Partially Reimbursable Personnel	Federal State	\$119,900	\$136,000	\$136,100
		\$41,800	\$47,000	\$47,400
100% Federally Reimbursable Personnel	Federal State	\$375,700	\$364,900	\$365,800
Security Personnel	Federal State	\$857,200	\$1,400,000	\$1,400,000
Telecommunication Expenses	Federal State	\$1,183,900	\$1,198,300	\$1,199,200
Drug Enforcement Personnel Related Expenses	Federal State	\$2,855,300	\$3,397,000	\$3,397,400
		\$0	\$0	\$0

		FY 2002	FY 2003	FY 2004 Analyst
Air Guard Base Operations and Maintenance	Federal	\$1,447,900	\$1,452,700	\$1,456,000
24% State Match	State	\$464,900	\$471,200	\$471,200
Air Guard Security	Federal	\$385,900	\$447,300	\$448,600
	State			
Air Guard Firefighter Personnel Expenses	Federal	\$762,400	\$795,600	\$798,000
	State			
Automated Targeting System	Federal	\$195,200	\$195,200	\$195,200
	State			
Camp Williams Operations and Maintenance	Federal	\$1,406,200	\$1,406,500	\$1,408,700
	State			
Dugway Operations and Maintenance	Federal	\$9,500	\$9,500	\$9,500
	State			
Armory Maintenance Total	Federal	\$16,762,600	\$18,067,400	\$18,080,200
Armory Maintenance Total	State	\$1,267,000	\$1,183,600	\$1,184,500
VETERANS' CEMETERY				
Veterans' Cemetery	Federal		\$25,000	\$30,000
	State			
Veterans' Cemetery Total	Federal	\$0	\$25,000	\$30,000
Veterans' Cemetery Total	State	\$0	\$0	\$0
VETERANS' NURSING HOME				
Veterans' Nursing Home Restricted Account	Federal	\$1,306,500	\$1,478,200	\$1,478,200
	State		\$1,200	\$1,200
Veterans' Nursing Home Total	Federal	\$1,306,500	\$1,478,200	\$1,478,200
Veterans' Nursing Home Total	State	\$0	\$1,200	\$1,200
Utah National Guard Total	Federal	\$18,069,100	\$19,570,600	\$19,588,400
Utah National Guard Total	State	\$1,267,000	\$1,184,800	\$1,185,700